

Crossroads Redevelopment Project Area H.E.L.P (Housing Enhancement Loan Program)

“Here’s an easy, low cost way to maintain and improve the value of your home and your neighborhood. The Redevelopment Agency of the City of San Diego offers low-interest loans to owner occupied one- and two-unit properties in the Crossroads Project Area to those who want to improve their homes. Loan assistance is available to offset the cost of qualified exterior improvements. Loans may be used to eliminate any potential housing safety violations and on general property improvements such as: roofs, gutters, downspouts, furnaces, hot water heaters, exterior door and window upgrades, exterior painting, exterior waterproofing, plaster repairs, and carpentry repairs”.

The City of San Diego Redevelopment Agency and the San Diego Housing Commission or a private contractor shall market and administer the Crossroads Housing Enhancement Loan Program (H.E.L.P) for low-to-moderate income households that are owner occupied for one- and two-unit properties within the Crossroads Redevelopment Project Area. The type and number of loan programs offered at any particular time in the Crossroads Redevelopment Project Area may vary depending on the amount of housing set-aside funding available. Should additional rehabilitation funding be needed, applicants may also apply for citywide Housing Rehabilitation Programs administered by the San Diego Housing Commission and other private and public agencies to supplement these programs, if and when eligible. H.E.L.P shall be administered in accordance with the attached Agreement. Housing enhancement loans shall be subject to standard loan approval policies and the guidelines described below:

GUIDELINES

Housing Enhancement Loans

A one-time only Housing Enhancement Loan of up to \$15,000 at an annual simple interest rate of 3% shall be made available owner-occupants of one-unit and two-unit properties which are within the Crossroads Redevelopment Project Area, whose gross household income is no greater than 100% of the Area Median Income (AMI). This loan will be used to address exterior conditions of a property to rehabilitate, improve the safety, repair and install improvements, including improvements not eligible in existing rehabilitation programs such as painting, stucco repair and water proofing to improve

the safety of the property and assist with compliance with Universal Design standards. This loan program may be combined with other rehabilitation programs such as the San Diego Housing Commission's.

A twelve-year deed restriction will be imposed as a condition of the loan. The deed restriction will require that the owner maintain residence at the property for at least eight years, or limits sale of the property to persons who will occupy the property and whose gross household income at the time of sale is no greater than 100% of the Area Median Income, as adjusted annually. A new buyer may assume the loan if their gross household income is not greater than 100% of the AMI. If the property is refinanced and equity is cashed out the loan and accrued interest amount shall be repaid.

The deed restriction shall also provide for certain maintenance measures, specifically to maintain the property at the level of quality achieved by the rehabilitation. In the event of a default of the deed restriction (including the failure of the borrower to maintain the property at the level of quality achieved by the enhancement or rehabilitation), the Redevelopment Agency may, at its sole discretion, require the repayment of the unforgiven portion of the loan and accrued interest amount as set forth below, should such default not be cured within sixty (60) days following written notice from the Agency. In the event of a default, the loan shall be repaid as described in the table below for the Housing Enhancement Loan Program

CROSSROADS HOUSING ENHANCEMENT LOAN PROGRAM (H.E.L.P)

- REPAYMENT TABLE -

Within Applicable Year	Percent Principal to be Repaid
1 to 7	100
8	80
9	60
10	40
11	20
12	0

Memorandum of Agreement Affecting Real Property
(Rather than a Deed of Trust and Note)

BORROWER agrees that should the PROPERTY be sold, rented, conveyed, leased, transferred, assigned, further encumbered, alienated or refinanced less than twelve (12) years after the date of this AGREEMENT, without the prior written consent of the AGENCY, the remaining LOAN principal, plus simple interest on the remaining balance at three percent (3%) per annum shall be repayable to the AGENCY, at AGENCY sole discretion, as follows: During years one (1) through seven (7), full principal plus simple interest on the remaining balance at three percent (3%) per annum from the date of loan recording shall be repayable.

Commencing with the eighth (8th) year, an amount equal to twenty percent (20%) of the original principal shall automatically be forgiven each year to the twelfth (12th) year. The amount repayable from the eighth (8th) year on will be the unforgiven principal balance plus simple interest at three percent (3%) per annum on the unforgiven principal balance from the date of loan recordation.

Before End of Year:	1	2	3	4	5	6	7	8	9	10	11	12
Percent of Loan to be Repaid:	100	100	100	100	100	100	100	80	60	40	20	0